

# RULES AND REGULATIONS

## RIO BRAVO COUNTRY CLUB RULES AND REGULATIONS

SEPTEMBER 1, 2006

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# RULES AND REGULATIONS

## RIO BRAVO COUNTRY CLUB

### RULES AND REGULATIONS

SEPTEMBER 1, 2006

#### ARTICLE I INTRODUCTION

##### A. OWNERSHIP MANAGEMENT AND OPERATION

1. The Club. The Rio Bravo Country Club (the "Club") is located in the City of Bakersfield, County of Kern, State of California. The address is 15200 Casa Club Drive, Bakersfield, California 93306. The main phone lines are: Pro Shop 661-871-4653 and Office 661-871-4900 with a fax number of 661-871-4930. The website address for the Club is: "<http://www.riobravocountryclub.com>" and the general email address is [office@riobravocountryclub.com](mailto:office@riobravocountryclub.com).

2. Ownership and Management. The Club is privately owned (the "Owner"), and is currently being operated and managed by the Owner. The Owner is A & E Union, Inc., a Nevada corporation properly registered as a foreign corporation in the State of California. The Owner reserves the right to appoint a management company, and successors thereafter, at anytime granting some or all decisions, elections, and actions herein undertaken by the Owner to a management company. Unless there is an appointment to a management company, the Owner will hereinafter be referred to as "Management." Management may from time to time, in its sole discretion, employ the services of an individual or entity to act as the on-site manager of the Club (the "Manager").

3. Club Facilities. The Club currently consists of a private Golf Course (the "Golf Course") and related clubhouse and lounge facilities (collectively, the "Club Facilities"). The Club Facilities are provided for the social and recreational use of "Members" (as defined in Article II, Section A.1.5 below), their families, guests and invitees ("Guests"). Management will also have the full discretion to allow usage of the Club Facilities to non-member guest or invitees.

4. Operation. Management operates the Club for profit deriving income from such sources as, but not limited to, (a) Membership Initiation Fees, Membership dues and cart fees, Guest privileges fees, (b) the sale of foods and beverages, (c) the sale of sporting goods, equipment and related items at the Club's Golf Pro Shop, (d) providing the Golf Course and/or the Club Facilities for outside tournaments, banquets, room rental fees, golf course rental fees, and similar functions at a fee, (e) providing non-member usage of the Golf Course and/or Club Facilities to designated partners for a fee, and (f) such other activities as Management may, from time to time, elect to undertake. Club Members do not have any ownership, equity, or like interest in the Club and do not participate in any financial gain or loss resulting from the Club's operations. To the extent Club Members pay any monies, such payments are for the services related to being a Club Member, including but not limited to initiation fees, recurring fees, and personal charges,

5. Special Events. Management may, from time to time, invite such organizations, individuals, businesses, or other groups, including entities or organizations sponsoring events or tournaments, to use

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the existing Golf Course and/or Club Facilities, as well as any other facilities that may in the future be developed by the Management in connection with the operations of the Club and may, from time to time, close access to the Golf Course and/or the Club Facilities to the Members in order for such special events and tournaments to take place, with or without notice.

### **B. RULES AND REGULATIONS**

1. Generally. These Rio Bravo Country Club Rules and Regulations (the “Rules”) may be amended from time to time in the sole and absolute discretion of Management. The Rules describe the different classifications of Club Membership as well as various rights and obligations of Management, Members and their Guests related to the use and enjoyment of the Club.

2. Prior Rules. These Rules shall supersede and replace in their entirety any and all prior rules and regulations that have been in force respecting the Club Memberships that are described in Article II below, and the use and enjoyment of the Golf Course and the Club Facilities including without limitation, the rules and regulations dated March 1, 1999, and also labeled March 5, 1999, and subsequent amendments after March 1, 1999, through the effective date of these rules.

3. Effective Date. These rules become effective among all existing members, whether active or inactive, on **September 1, 2006**, at 12:01 a.m., and upon new members when membership is expressly approved.

4. Amendments. Any and all amendments subsequent to September 1, 2006, become effective upon the effective date noted on such amendments. Such amendments will be mailed, physically delivered or posted to members via the monthly newsletter, mailings, Club website, in addition to maintaining a copy of the original amendment in the office of the Club. Generally, all amendments will take effect thirty (30) days from the written approval of such posting by Management but in some cases, written approval may come sooner. To the extent possible, all amendments will be presented to the Advisory Board for review, discussion, and concurring approval; however, written approval to amendments do not require Advisory Board approval.

5. Severability. If any part or section of these Rules is found unenforceable, then the remaining parts or sections will be unaffected by the enforceable part or section.

6. Enforceability. The failure to enforce any provision within the Rules does not constitute a waiver, or election of any particular article, section, paragraph, or provision in these Rules. Management shall have the exclusive discretion in the application of the Rules relative to their respective rights.

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## ARTICLE II MEMBERSHIP

### A. MEMBERSHIP CATEGORIES

1. Membership Categories. From time to time, in its sole discretion, Management may establish, change, terminate, and/or offer to sell Membership Categories.
2. Currently Offered Memberships Categories. Two Memberships Categories are currently offered: Family Preferred Membership and Business Preferred Membership. Current Membership Categories are further discussed in Section 7 below.
3. Previously Offered Membership Categories. Discontinued Membership Categories that were offered through prior Rules (1/1/1999) and subsequent Annual Fee Schedules include Family Limited Memberships, Business Limited Memberships, Senior Family Limited Memberships, Weekday Memberships, Social Memberships, Junior Memberships and Prestige Memberships. These discontinued Membership Categories are detailed in Section 8 below.
4. Eligibility: Non-Discrimination. Applicants for Membership in the Club must be at least eighteen (18) years old, maintain a good reputation in the local community, and have a credit rating satisfactory to Management. Applicants may be subject to Advisory Board approval at Management's option. No applicant will be denied membership on the basis of race, color, creed, religion, gender or national origin. Some applicants may be required to post a non-interest earning security deposit as a condition to approval of a membership. A non-refundable application fee is required of all applicants. Applicants will pay a credit check fee prior to membership approval and a membership application fee, but not limited to. All member fees are generally listed in the Club's Annual Fee Schedule.
5. Limitations on Memberships. From time to time, in its sole discretion, Management reserves the right to (a) create or eliminate any Membership category, and (b) limit or reduce (in the manner provided below in Article 111, Section A.8, Right to Repurchase) the number of Memberships available in any Membership category. Memberships are non-proprietary and no Member has any voting rights or ownership interest in the Club, Golf Course, Club Facilities, or any real, personal, intellectual or any type of property interest of Management.
6. "Member" and "Family" Defined:
  - 6.1 Member. A "Member" is any person or entity which holds a validly issued and outstanding Membership in one of the authorized categories. A Designee under a Business Membership is a Member for the purposes of having Club privileges and being financially obligated to his or her respective charges but not to the initiation fee unless that Designee is also the 'Principal Designee' or owner of a Business Membership. All Members are required to maintain their accounts in good standing in order for the respective membership to be held valid. Members, whether active or inactive, are subject to the Rules; however, Members not in good standing will have some or all privileges to Membership limited. A terminated or resigned Member with outstanding and unpaid or uncured obligations to the Club, or that attempts or does utilize his or her resigned or terminated membership, continues to be subject to the applicable Rules in place at time of termination or resignation. A Member is sometimes more particularly described within the specific category of Membership held.

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6.2 Family. Within a Family Membership, the “Family” consists of the individual Member, his/her spouse (if any), and any unmarried children under the age of twenty-five (25) residing full-time in the Bakersfield area. “Children” includes guardianships or like recognized relationships. A Domestic Partner will be allowed upon compliance with paragraph 6.3 and upon approval of the Club. Widowed spouses or single Members, with or without children eligible to utilize the Membership under the appropriate Membership Category are entitled to no additional privilege and are subject to the same Rules applicable to all other Members in the respective Member Category. Friends or children ineligible to play under the Member Category cannot be utilized to qualify for Memberships in any fashion.

6.3 Domestic Partner. The ability to include a domestic partner as a spouse in a Membership will be subject to the sole and absolute discretion of the Club. Domestic Partners must reside in the same household. A Domestic Partner will be jointly and severally obligated under the Rules and will be required to sign the requisite membership applications forms. The Club may require registration of the Domestic Partnership with the State of California. Unless the Club has specific written instructions or a court order, the membership will be jointly owned by and between the Domestic Partners with right of survivorship.

### 7. Current Memberships Categories Described:

7.1 Family Preferred Membership includes the individual Member, his/her spouse (if any), and any unmarried children under the age of twenty-five (25) residing full-time in the Bakersfield area. Family Preferred Members are entitled to the use of the Golf Course and Club Facilities in accordance with the Club Rules. Family Preferred Members have no voting rights or ownership; however, they are eligible for cash value equity, meaning that once the Initiation Fee is paid in full, it is subject to Article III, Transfer and Termination of Memberships. All ‘equity’ or cash value Memberships under the prior Rules have been upgraded or converted to Preferred Memberships effective on the date of these rules. Because of various prior changes, it is possible to have a Membership in the Preferred Class without any cash value due to the Member. If the Initiation Fee is paid by way of deferment payments, the initiation fee for the category of Membership purchased is fully earned, but not vested for purposes of Article III, and due in accordance with the payment schedule of the deferred payment plan. Suspension, termination, or resignation of a Preferred Membership prior to the full payment of the Initiation Fee will cause whatever remaining balances on the Initiation Fee to become accelerated and due immediately notwithstanding other amounts due. Preferred Memberships are eligible to have private Member-owned carts subscribing to the annual trail fees under these Rules and the prior Rules. Eligibility does not guarantee approval of a trail fee subscription to a Preferred Membership; however, preference is given if there is trail fee subscription availability and approval to list a private Member-owned cart as an amenity to a golf course home is more likely. Most restrictions and privileges are outlined with the membership category selected and such notice accompanies all new applications. The restrictions and privileges list is available from the Club office upon request

7.2 Business Preferred Membership includes the Principal Designee of a bona fide business and two Subordinate Designees, with each Designee afforded the same privileges and responsibilities as Family Preferred Members. Whether an applicant qualifies as a “bona fide business” shall be in the sole and absolute discretion of Management. A Business Member shall designate one owner, partner, shareholder, president, chief executive officer or other principal directly involved with the business as the Principal Designee and may designate up to two additional individuals, each of whom shall either be a principal or an employee of the business, as Subordinate Designees pursuant to guidelines discussed in Section B.2 of this Article II; all of whom shall be considered “Business Designees.” Management may, in its sole and absolute discretion, decline to approve an application for Business Membership or, alternatively, decline to approve a Business Designee if it determines in its sole discretion that anyone of the Business

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Designees would not qualify under Management's requirements for Membership in any of the other Membership Categories. Management shall have the right, in its sole discretion and at any time, to terminate the Membership privileges of any Business Designee who ceases to be a Principal Designee or a Subordinate Designee of the Business Member (a "change in status"), and the Business Member shall notify the Management Company of the change in status of any Business Designee immediately of any such change in status. All changes in status, including resignation of a Business Membership take effect thirty (30) days after written notice is received. The Business Membership shall be deemed held solely by the Business, and no Business Designee shall have any right to or Ownership interest in the Business Membership (except by way of an Ownership interest in the business itself, if any). The Membership is ultimately responsible for any unpaid balances to any Business Designee and each Business Designee waives any rights, including rights under the Fair Debt Collection Practices Act and the (state version act) related to collection practices if Management discloses to the Business Membership that an outstanding balance exist to the Business Membership. This waiver will be included in the Business Designee application. Management is not required to inform a Business Membership of the status of any balances; however, it will be the general practice to notify a Business Membership of an outstanding balance no less than forty-five (45) days of that outstanding balance remaining unpaid.

### 8. Previously Offered Membership Categories.

8.1 Prestige Memberships are no longer offered, however, existing Prestige Members will continue to enjoy the benefits of their Prestige Memberships. Prestige Members included the individual Member, his/her spouse (if any), and any unmarried children under the age of twenty-five (25) residing full-time in the Bakersfield area. Prestige Members are entitled to the use of the Golf Course and Club Facilities in accordance with the Club Rules. Prestige Members have no voting rights or ownership; however, they are eligible for cash value equity, meaning that once the Initiation Fee is paid in full, it is subject to Article III, Transfer and Termination of Memberships. If the Initiation Fee is paid by way of deferment payments, the initiation fee for the category of Membership purchased is fully earned, but not vested for purposes of Article III, and due in accordance with the payment schedule of the deferred payment plan. Suspension, termination, or resignation of a Prestige Membership prior to the full payment of the Initiation Fee will cause whatever remaining balances on the Initiation Fee to become accelerated and due immediately notwithstanding other amounts due. Prestige Memberships are eligible to have private Member-owned carts subscribing to the annual trail fees under these Rules and the prior Rules. Eligibility does not guarantee approval of a trail fee subscription to a Prestige Membership; however, preference is given if there is trail fee subscription availability and approval to list a private Member-owned cart as an amenity to a golf course home is more likely. Most restrictions and privileges are outlined with the membership category selected and such notice accompanies all new applications. Prestige Members are entitled to receive complete or partial waiver of monthly dues for a specified or unspecified period of time according to their Prestige Membership contract.

8.2 Junior Memberships were discontinued under the prior Rules (3/1/99). To the extent some Junior Memberships exist, all Junior Memberships are hereby upgraded to Preferred Family Memberships with the current applicable dues applied unless the Junior Member has not attained thirty-five (35) years of age, if so, the former Junior Membership dues rate will continue to apply.

8.3 Weekday Memberships were discontinued under the prior Rules (3/1/99). To the extent some Weekday Memberships exist, such Weekday Memberships will be honored; however, all transfers to Weekday Memberships for the sole purpose of depleting equity will no longer enjoy the Weekday Membership dues rate if such transfer occurred after the prior Rules and for equity depletion purposes only. Weekday Memberships do not allow play on weekends or if play is permitted, the Weekday Member must pay for full green fees. Significant restrictions will vary depending on the Weekday

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Membership program offered and such restrictions accompanied the Application.

8.4 Social Memberships were previously discontinued. No Social Memberships exist at this time, but may be offered in the future.

8.5 Limited Memberships were discontinued under the prior Rules (3/1/99). To the extent some Limited Membership exists, such Limited Memberships will be honored. Limited Memberships included the individual Member, his/her spouse (if any), and any unmarried children under the age of twenty-three (23) residing full-time in the Bakersfield area. Limited Members are entitled to the use of the Golf Course and Club Facilities in accordance with the Club Rules. Limited Members have no voting rights, no ownership rights, and no cash value equity. Upon termination or resignation and payment of all financial obligations of a Limited Member, the Limited Membership ends. If the Initiation Fee is paid by way of deferment payments, the initiation fee for the category of Membership purchased is fully earned upon membership approval. Suspension, termination, or resignation of a Limited Membership prior to the full payment of the Initiation Fee will cause whatever remaining balances on the Initiation Fee to become accelerated and due immediately notwithstanding other amounts due. Unless agreed to in writing, Limited Memberships are not eligible to have private Member-owned carts subscribing to the annual trail fees under these Rules and the prior Rules. Most restrictions and privileges are outlined with the membership category selected and such notice accompanies all new applications. Significant restrictions will vary depending on the Limited Membership program offered and such restrictions will accompany the Application.

## **B. APPLICATIONS FOR MEMBERSHIP**

1. Submission of Applications. Every individual or entity seeking Membership in the Club (the "Applicant") shall submit to Management: (1) an Application and Membership Agreement (the "Application") in the form then required by Management, (2) the required non-refundable Application Fee, (3) the required initial payment (the "Down Payment") constituting a portion of the then current Initiation Fee for the selected Membership category, (4) an appropriate deposit, if required, and shall comply with the requirements stated below respecting the category in which the Applicant is seeking Membership. The Applicant shall clearly designate on the Application the type of Membership the Applicant is seeking.

1.1 Business Memberships. Each Applicant for a Business Membership shall complete and submit to Management: (1) an Application, (2) a completed "Business Designee Form" for each Business Designee, (3) a Guaranty of Payment for Designees, (4) a Disclosure of Collection Practices Amongst Business Memberships, (5) the applicable Down Payment, and such other information or documentation as Management may request. Management may, in its sole discretion, require proof of the relationship between the Applicant and the Business Designees of the Applicant including, without limitation, ownership records, copies of federal payroll tax forms, federal 1099 forms or other payroll records of the Applicant on company letterhead.

2. Sponsorship of Applicants. Applicants for any category of Membership shall be sponsored by at least one (1) active Club Member (in any Membership category) in good standing. However, this requirement may be waived for any Applicant at the sole discretion of Management.

3. Action on Applications.

3.1 Review of Applications. All Applications must be reviewed by Management, which shall have the sole discretion to approve or deny any Application upon a reasonable determination that the Applicant

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does not meet the Club's established Membership criteria. Management will deliver written notification (the "Notice") of its determination to the Applicant within thirty (30) days after a fully completed Application has been submitted. Management may, in its discretion, create a procedural and recommendation process for new Applicants, such as having the Advisory Board make recommendations on the approval of new Memberships based on mutually agreed guidelines; however, the Advisory Board's recommendation is not binding. At its discretion, Management may solely approve Memberships.

3.2 Applicant's Withdrawal of Application. Up and until the end of the 29<sup>th</sup> day from submission of a signed Application, the Applicant may withdraw his Application and be entitled to a full refund of all fees except the Application Fee. If the Applicant is granted approval on a preliminary basis under Section 3.3.a, then the monthly dues are earned and may be deducted from any refund due. The Applicant can withdraw an Application for membership anytime prior to the end of the fifth (5<sup>th</sup>) day, regardless of provisional approval, and be entitled to a full refund minus fifty percent of the application fee. (50%)

### 3.3 Approval of Applications.

(a) Effective Date of Membership. An Applicant will be deemed a Member of the Membership Category described in the Application as of the date stated in the Notice of Approval of the Application (the "effective date"). However, if the applicant is permitted to use his or her Membership prior to the approval on a preliminary basis, that applicant is deemed to have a revocable Membership through notice of the approval on the effective date. Refund of fees related to an application is described in Section 3.4.

(b) Payment Deadline. As of the effective date or during the Preliminary period, if any, each new Member is liable for payment of the balance of the Initiation Fee, all Membership dues and other fees (such as, Initiation Fees), no later than fifteen (15) days from the date of the notice or the Membership shall automatically be terminated. In such event, the Club shall be entitled to retain the full amount of the Down Payment. The effective date and the submission date of the signed application are two different key dates. Submission of a signed application entitles an applicant to cancel and be given a refund, if any, as stated in 3.2 above. The effective date, see 3.3a above, provides Management with a fully earned Membership Agreement.

3.4 Denial of Applications. In the event an Application for Membership is denied, at the time of giving notice of such denial, Management will remit to the Applicant the full amount of the Down Payment and Security Deposit, if any that was paid by the Applicant, minus the application fee. No Applicant is entitled to be notified of the grounds for the denial of the Application and is not entitled to appeal or resubmit the Application unless that denial is based on the Applicants credit worthiness or other statutorily required basis for giving notice of reasons for denial.

4. Membership Cards. Each Member, including qualified family members, will be furnished with a "Membership Identification Card" which should be carried at all times when such persons are using the Golf Course or Club Facilities. Unmarried children, qualified as Members under the Membership, may be issued a card on the request of the 'parent' Member and upon submission of the Dependent Child Application. No Membership Identification card may be used by any person other than the person to whom it was issued. A Member is liable for any charges or fees against the Member's Card by any person, whether or not authorized, until such time as Management is notified that the card has been lost or stolen.

4.1 Membership PIN Numbers. If a PIN Number is issued, in addition to a Member number on a Membership Identification Card, that PIN is to be used for any accounting processes Management develops, including internet related member transactions, whether outside the Club or at the Club. The

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PIN is also the Members' digital signature, which will be used in lieu of a traditional signature for internet transaction at the discretion of Management. Each spouse and qualifying and approved child will be given a PIN number to use.

### C. MEMBERSHIP RIGHTS AND PRIVILEGES

1. Use of Golf Course and Club Facilities; Adherence to Golf Course Rules. Membership in the Club entitles Members to use those portions of the Club to which their respective Membership categories entitle them. All Members shall use the Club in accordance with and subject to these Rules and such other rules or regulations for specific portions of the Club as may from time to time be in effect (collectively, "Club Rules"). In particular, but without limitation, Members who are entitled to use the Golf Course shall comply (and shall cause their Guests to comply) in all respects with the Rio Bravo Country Club Golf Course Rules and Regulations which may from time to time be adopted and established by the Club as part of the Club Rules .

2. Additional Invitees. In addition to Members, only (a) Guests of Members, (b) members of other private clubs having reciprocal arrangements with the Club (if any), and (c) Management sponsored or invited groups, guests (including guests from designated lodging facilities) and (d) designated employees and agents of Management, may enter and use the Golf Course and Club Facilities. Guests of Members are restricted to same Club usage as that of their Member host. All reciprocal play, either by guest of other clubs utilizing the Club or by our Members utilizing other clubs, must be arranged by the Head Golf Professional or Management.

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## ARTICLE III TRANSFER AND TERMINATION OF MEMBERSHIPS

### A. TRANSFER OF MEMBERSHIPS

1. Eligibility. Only Preferred Memberships with cash refund values can qualify for a Transfer Fee and, subject to the resale list, are eligible to transfer such Membership (a "Transfer"), and, except as to the provisions of section A3 below respecting Business Memberships, any such Transfer shall be made only to Management (a "Transferred Membership"). Except as herein provided, no Member shall sell, transfer, assign, convey or encumber all or any portion of his, her or its Membership. Any such purported sale, transfer, assignment, conveyance or encumbrance shall be null, void and of no force or effect. The attempted sale, transfer, assignment, conveyance, or encumbrance, whether fully or partially, will be considered a termination Membership and forfeiture of all cash value, if any.

2. Notice of Intent to Transfer. Any Transfer is conditioned upon (a) receipt by Management of written notice of a Member's intent to Transfer, (b) confirmation by Management that the Member has paid in full all dues, fees and other charges attributable to the Membership, and (c) the consent to and acceptance of the Transfer by Management. A resignation of a Membership under A.7 of this Article is automatically treated as notice of intent to transfer.

#### 3. Permitted Transfers Under Business Memberships.

(a) Any Business Member that wishes to transfer the rights of any of its Business Designees to a newly designated Principal Designee or Subordinate Designee of the same business may be allowed to do so upon submission to Management of a revised Business Designees Form (together with the same verifying documentation as required under Section B1.2 of Article II above as to the new Business Designees), and payment of a transfer and application fee (the "Transfer Fee") in an amount to be determined from time to time in the sole discretion of Management as to a transfer of a Principal Designee and as to the transfer of a Subordinate Designee. A separate Transfer Fee is payable as to each individual whose status as a Business Designee of such Business Member is transferred to another individual. The Transfer Fee is to be listed in the Annual Fee Schedule.

(b) Rights under a Business Membership are not transferable to another business entity: provided, however, that in the event that all or substantially all of the assets or capital stock of the Business Member are sold, transferred or assigned to another bona fide business or to one or more other new owners who will continue to operate the same business (collectively, the "New Owners"), and such New Owners wish to continue the Business Membership of the prior Owners of the business, then a transfer of the Business Membership to the New Owners will be considered for approval upon submission of a completed Application, together with all documentation (including completed Business Designee Forms) required under Section B1.2 of Article II above and payment of a separate Transfer Fee for each Business Designee named on the Business Designee Forms submitted by New Owners who was not named as a Business Designee under the existing Business Membership. (c) Other than as set forth in subsection (a) and (b) of this Section A.3 of this Article III, Business Memberships may only be transferred in accordance with the provisions of Section A.4 below.

#### 4. Transfers of Memberships for Resale.

4.1 Priority of Membership Sales. Memberships may only be transferred to Management and are

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subject to resale by Management. If new Preferred Class Memberships are then being offered for sale by Management, those being offered by Management may be sold on a three-to-one basis to Transferred Memberships (i.e., Management may sell three (3) new Preferred Class Memberships before selling the next Transferred Membership). For purposes of computation, the three-to-one basis will be the value of three Preferred Class Memberships, currently \$36,000.00. Upon selling Preferred Class Memberships exceeding \$36,000.00 by one dollar, then the next Membership sold will be a Transferred Membership from the resale list. The amount noted herein is set for illustrative purposes. The computation amount may differ but will always be the amount equal to the value of three Preferred Class Family Memberships exceeded by one dollar at that time. Management shall not have or be deemed to have any fiduciary duty to undertake a resale of a Transferred Membership prior to completion of the sale of not more than the next three available Preferred Class Memberships then being offered for sale by Management and shall have no obligation, responsibility or liability (i) to undertake any acts or expend any sums of money in the resale of a Transferred Membership and (ii) for failure to attempt to resell such Transferred Membership during such time as Management has closed the Preferred Class Family Membership categories. Under no circumstances can a Limited Membership be transferred. All Members terminating their Membership who are entitled to receive a Transfer Fee (Cash Refund Value) must continue to pay monthly dues until the membership is actually transferred. A member may not simultaneously have a membership on the resale list and be inactive at the time.

4.2 Manner of Making Resales. Any Transferred Membership shall be placed, in chronological order determined by the date of Management's receipt of the notice to transfer, on a list of Transferred Memberships available for resale. Subject to the provisions of section 4.1 above, prospective applicants for membership will be offered the Transferred Membership that is then at the top of the list. Within thirty (30) days of receipt of all dues and fees in connection with the resale of a Transferred Membership through an approved Application, Management will remit to the Transferring Member the amount stated below as compensation in full for the Transfer of the Membership (a "Transfer Fee"). In the event the Transfer Fee is not paid timely, Management will pay interest to the Transferred Member at ten (10) percent annual interest applicable towards the Transfer Fee and the Transferred Member will be allowed to utilize the Club without monthly dues, all other charges are applicable. Only until the Transferred member is paid the Transfer Fee, and all other fees owed to Management are paid, will the Membership be considered terminated and the Membership relationship closed:

(a) As to any Membership category subject to a Transfer Fee (cash value refund) issued prior to August 1, 1986, an amount equal to fifty percent (50%) of the initiation fee for which the corresponding membership is sold, but not less than fifty percent (50%) of the Initiation Fee originally paid by the member for the Transferred Membership.

(b) As to any Membership category subject to a Transfer Fee (cash value refund) issued from and after August 1, 1986, and prior to October 1, 1991, an amount equal to fifty percent (50%) of the Initiation Fee originally paid by the member for the Transferred Membership.

(c) As to any Membership category subject to a Transfer Fee (cash value refund) issued from and after October 1, 1991;

(i) If a Transfer occurs within the first (1st) year of Membership, an amount equal to eighty percent (80%) of the Initiation Fee for which the Membership is ultimately sold by Management minus any initiation fee discounts granted;

(ii) If a Transfer occurs within the second (2nd) year of Membership, an amount equal to seventy percent (70%) of the Initiation Fee for which the Membership is ultimately sold by Management minus

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any initiation fee discounts granted; or

(iii) If a Transfer occurs at any time after the second (2nd) year of Membership, an amount equal to sixty percent (60%) of the Initiation Fee for which the Membership is ultimately sold by Management minus any initiation fee discounts granted.

4.3 Depletion of Equity while on Resale List. In very limited circumstances and at the sole discretion of Management, a Member may be granted permission to have his or her cash refund value (the word 'equity' is used synonymous with cash refund value) offset the monthly recurring charges such as dues and range fees until the Membership is eventually Transferred or the equity is depleted, whichever ever comes first. If the equity is depleted, then the Member must resume paying dues or terminate the Membership by being removed from the resale list. Should the Member decide to continue with the Membership, then the Membership will be converted to a Limited Membership with no additional Initiation Fee due. Under no circumstances will other charges such as pro shop merchandise, food and beverage charges, special events or dinner charges, or any other fees that are not monthly dues allowed to offset the equity. All other charges are to be paid by the Member when due.

5. Advertising. Members shall not advertise or permit their Memberships to be advertised for sale. Any violation of this Rule may, in the sole discretion of Management, result in suspension or termination of the Membership in accordance with Article IV of these Rules.

6. Ownership of Membership; Death or Dissolution of Marriage.

6.1 Ownership of Membership. Each Membership, regardless of category, shall be deemed to be held in joint tenancy by the Member and his or her spouse unless expressly stated and approved by Management. Each Business Membership shall be deemed to be held by the business entity to which it is issued and not by any shareholder, Owner, employee, partner or affiliate thereof unless expressly stated and approved by Management.-

6.2. Death of a Member. Ownership of a Membership, regardless of category shall pass to the surviving spouse of a deceased Member unless otherwise ordered by any court having jurisdiction over the estate of such deceased member. No Transfer Fee shall be assessed in connection with the transfer of a Membership to a surviving spouse.

6.2.a Living Trust. Upon death of a Member, regardless of Membership classification, and where a Living Trust exists, the Membership will be considered resigned pursuant Article III, Section 7. It will be to the sole discretion of Management to allow activity on the Membership during the resale period to an 'interested' party. This provision applies to all Members.

6.3 Dissolution of Marriage. Upon the dissolution of the marriage of a Member, regardless of the Membership category held by that Member, the Member shall notify Management in writing whether the Member or such Member's former spouse will retain the Membership.

7. Resignation of Members. Any Member may resign a Membership by giving written notice to Management of such resignation and payment of all dues, fees and charges attributable to the Membership through the end of the calendar month in which notice of resignation is given in writing. Any such resigning member holding a Membership eligible for a Transfer Fee (cash value refund) will be automatically placed on the resale list, if qualified, and monthly dues will continue until the Membership is transferred. If the Member wishes to forfeit his or her equity, then the resignation must expressly state such request. Members must provide 30-day notice of resignation or be subject to a 30-day delay before

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the resignation takes effect notwithstanding being placed on the resale list if the member has equity in the membership being resigned. If applicable, dues will be adjusted pro rata.

8. Right to Repurchase. Management shall have the right to repurchase Memberships from any or all Members in any or all classes and categories at any time (the “Repurchase Right”).

8.1 Repurchase of Memberships. Issued Prior to August 1986. In the event Management exercises its Repurchase Right with respect to any Membership issued prior to August 1, 1-1986, Management will remit to each Member whose Membership is being repurchased the full amount of the Initiation Fee originally paid by such Member. Notice of Management’s election to exercise the Repurchase Right shall be given to each affected Member not less than thirty (30) days prior to the date on which the Repurchase Right is to be exercised.

8.2 Repurchase of Memberships Issued Prior to October 1991. In the event the Management exercises its Repurchase Right with respect to any Membership issued from and after August 1, 1986, but prior to October 1, 1991, Management will remit to each Member whose Membership is being repurchased an amount equal to fifty percent (50%) of the Initiation Fee originally paid by such Member. Notice of Management’s election to exercise the Repurchase Right shall be given to each affected Member not less than thirty (30) days prior to the date on which the Repurchase Right is to be exercised.

8.3 Repurchase of Memberships Issued From and After October 1, 1991. In the event the Management exercises its Repurchase Right with respect to any Membership issued from and after October 1, 1991, Management will remit to each Member whose Membership is being repurchased an amount equal to the greater of one hundred percent (100%) of the Initiation Fee originally paid by such Member or sixty percent (60%) of the Initiation Fee last paid for the purchase of a Membership in the same category. Notice of Management’s election to exercise the Repurchase Right shall be given to each affected Member not less than thirty (30) days prior to the date on which the Repurchase Right is to be exercised.

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## ARTICLE IV TEMPORARY SUSPENSION OR TERMINATION OF MEMBERSHIPS

The Owner, Management, and the Manager shall have the right to request any Member, any Business Designee or any Member's Guest to immediately leave the Golf Course or Club Facilities at any time for conduct which is deemed to have caused or be likely to cause damage to any Club property or injury to any Member, any Business Designee, any Guest, the Owner, Management or the Manager, or any employee, contractor or invitee of the Club or which may be deemed to interfere with any activity being conducted at the Club, or for any other conduct which is in violation of these Rules, or of any other Club Rules that may be adopted from time to time including, without limitation, the nonpayment of dues, fees or other charges attributable to such Member's Membership in the Club. In any such event, the Membership of such Member may be immediately suspended for a stated period or terminated by Management, and Management shall not be liable to any Member whose Membership is terminated for reimbursement of any portion of such Member's Initiation Fee. Management's decision to temporarily suspend or to terminate a Membership in accordance with this Article IV is non-appealable. During any period of temporary suspension, the Member shall continue to be liable for all dues and other charges assessed during such suspension period.

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## ARTICLE V FINANCIAL OBLIGATIONS OF MEMBERS

### A DUES, FEES AND OTHER CHARGES

1. Initiation Fee. An Initiation Fee is payable at the time Application is made for Membership in the Club, as stated in of Article II, Section B above. The amount of the Initiation Fee shall be determined and may be changed (upwards or downwards) from time to time in the sole discretion of Management, provided, that the Initiation Fee for Preferred Business Memberships issued on or after October 1, 1991, shall be an amount equal to twice the amount of the Initiation Fee for Preferred Family Memberships, as set from time to time by Management in accordance with this Section A, Article V.

2. Membership Dues. Membership dues for each category of Membership accrue from the date of the notice of approval of an Application for Membership. If a Membership is not approved but the applicant utilized the Membership during the preliminary period, then dues for that month are earned unless the applicant is subject to the refund procedures in Article II, Section B, Paragraph 3.4. The amount will be billed for all charges including dues during this period unless expressly waived. Dues for the first month and last month of Membership shall be prorated based on a thirty (30) day month except that prorate is not applicable to denied applicants. Dues and other recurring charges are subject to increase at the discretion of Management upon thirty (30) days notice to Members. Management will have the sole discretion to change the amount of monthly dues charged to each category of Membership. Monthly dues may be changed at any time with thirty (30) days notice to Members of the respective Membership category or all categories simultaneously.

2.1 Annual Fee Schedule. Any Annual Fee Schedule is to be noticed on all members. If dues are to increase in any category, such notice requires a minimum of thirty (30) days. The notice of a dues increase can be published separately and in advance of the Annual Fee Schedule. Fees are subject to increase at any time during the year.

3. Other Charges and Fees. Members shall be liable for payment of such other charges and fees as may be incurred, fined, or assessed from time to time such as, for example, pro shop merchandise charges, guest fees, golf cart fees, transfer fees, inactive status fees, etc. Members may not charge special events, banquets, tournaments or other charges not designed for the member's immediate and personal use without the express permission of Management subject to credit approval, if needed, and members are required to charge to their member account any pre-approved sponsored events and related charges. Further, no discounts to members will be given unless the transaction is charged to the member's account, if any.

#### 4. Payment of Dues, Fees and Charges.

4.1 Timely Payment. Each Member must remain current on all amounts charged against or attributable to his or her Membership. Dues are chargeable against all active Members regardless of their use or non-use of facilities during any given month and despite any non-use because of special events held at the Club.

4.2 Monthly Statements. Membership dues and all charges against a Member's account are due and payable upon issuance of the monthly statement and demand therefore (the "Statement"). Each Statement shall list charges and fees incurred during the prior month and Membership dues payable for the current

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month, but failure to specify any amount due shall not be deemed a waiver of the same and shall be paid when and if determined and billed.

4.3 Delinquent Accounts. Member accounts shall be deemed delinquent if the full amount of any Statement is not paid within twenty (20) days of the date the Statement is issued, and all delinquent amounts may be subject to an administrative fee (related to the processing of the delinquent amount) of twelve percent (12%) of the delinquent amount, In addition, the unpaid balance will accrue interest commencing from the due date thereof until paid in full at the higher of twelve percent (12%) per annum or the maximum rate of interest then allowed by law. Members that are habitually late, meaning they have become past due forty-five (45) days on three or more occasions per year or have been past due more than sixty (60) days in a one year period will be subjective to a collection fee of \$25.00 for each event notwithstanding other remedies available to Management.

4.4 Uncured Delinquencies. Any Member's account that is more than sixty (60) days delinquent shall result in suspension of that Member's Club privileges as provided in Article IV above. Management may, on written notice, continue the suspension, or terminate the Membership as provided in Article IV above of any Member whose account remains delinquent for more than sixty (60) days. Any Member account, that remains delinquent for more than ninety (90) days, shall result in the continued suspensions or termination of Membership as provided in Article IV above. Any Member account which remains delinquent for more than one hundred twenty (120) days shall result in an automatic termination of Membership as provided in Article IV above. Management reserves the right to termination of any Membership for uncured delinquencies at forty-five (45) days.

4.4a Administrative Collection Fee. An administrative fee of up to \$250.00 may be charged to accounts referred to collection, whether internal or through a third party collection effort not withstanding other fees, such as attorneys' fees. This fee is to be charged on all terminated member accounts automatically due to uncured delinquencies in excess of ninety days.

4.5 Approval of Credit. Credit may be extended to Members in such amounts as may be determined by Management from time to time. Management may, in its sole and absolute discretion, refuse credit to any Member at any time. Unless prior approval of extension of credit for Guests is given by Management, Members will be required to charge all Guest fees or pay in cash or by approved credit card, for all fees and charges incurred by the Member and Guest while at the Club. The amount and approval of credit is determined at the sole discretion of Management.

4.6 Acceptance of Payments Made by a Business Designee. The Club's acceptance from time to time of dues and fees paid directly by a Business Designee shall not in any way diminish the obligation of a Business Member to pay all dues and fees of such Business Member and each of its Business Designees. The process for paying recurring fees and transacted charges by any Business Membership Designee, whether Principal or Subordinate, is in no way a waiver of Management's ability to demand payment from the Business Membership.

4.7 Cash Only Basis. Members who become delinquent for more than thirty (30) days may be placed, on a 'cash only basis' until the delinquency is cured. Members with repetitive delinquencies may be placed on a 'cash only basis' regardless of whether the account has been cured. A Member's account with 'unusual' activity may be subject to a hold, cash only basis or other action deemed appropriate in relationship to the credit worthiness of that Member.

4.8 Notice of Delinquency to Principal Designee. If a Business Designee becomes delinquent for more than forty-five (45) days, Management may give notice and make demand for payment upon the

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Principal Designee or the Business Membership. Upon such notice and demand to the Principal Designee or the Business Membership payment will be due within five (5) business days.

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## ARTICLE VI MEMBER LIABILITY AND ASSUMPTION OF RISK

### A. LIABILITY OF MEMBERS

1. Damage or Injury. Each Member shall be liable for any property damage and/or personal injury caused to property or persons at the Club Facilities or Golf Course, including in connection with any function operated, organized, arranged or sponsored by Management, that is caused by such Member, any of the Member's family members, any Business Designees of such Member, or such Member's guests while on the Golf Course, Club Facilities or other place or which, the Club is liable for the action of the Member including while playing at another Club under reciprocal play or by way of the Internet. The responsible Member shall reimburse the Club for the cost of such damage or injury immediately upon presentation of a bill for the same. If Management reimburses a demanding reciprocal club (or party) for injury or damages caused by a Member, the Member will reimburse the Club and if the Member has any recourse or defenses, then the Member will direct such recourse or defenses with the demanding club or party. Failure to make such payment will expose the Member to suspension or termination of Membership as provided in Article IV above.

2. Indemnification. Every Member shall indemnify, defend and hold harmless the Club, the Owner, Management, and the Manager, as well as each of their respective shareholders, directors, officers, employees, representatives, attorneys, past and present Advisory Board members and agents (individually and collectively. The "Indemnities") against and from any and all losses, claims, injuries, damages, demands, causes of action, liabilities, fees and expenses (including actual attorneys' fees) arising from property damage and/or personal injury resulting from the acts or omissions of such Member, any of the Member's family members or guest, any of the Member's Business Designees or guests. This indemnification is not limited to activity on the Golf Course or Club Facilities, it includes any location in which the Membership relationship is in force and where the Club is subject to liability for a Members acts or omissions.

### B. ASSUMPTION OF RISK.

Every Member, and any of the family members of the Member, any Business Designee of such Member, any Guest of such Member or any other person who in any manner (a) makes use of or accepts the use of any apparatus, appliance, facility, privilege or service whatsoever owned or operated by the Club or the Indemnities or (b) engages in any contest, game, function, exercise, competition, tournament or other activity (whether or not on the Club premises) operated, organized, arranged, or sponsored by any of the Indemnities, shall do so at his or her own risk and shall indemnify, defend and hold harmless the Indemnities against and from any and all losses, claims, injuries, damages, demands, causes of action, liabilities, fees and expenses (including actual attorneys' fees) sustained or incurred by such Indemnities, or any of them, resulting there from and/or resulting from any alleged act or omission of any of such persons.

# RULES AND REGULATIONS

## ARTICLE VII CLUB OPERATIONAL MATTERS

### A. RULES OF CONDUCT AND OPERATION

1. Adoption of Club Rules. The Club may from time to time, at the discretion of Management, establish, modify, amend or repeal any Club Rules, including Rules of Conduct and Operation for the Club, the Golf Course and Club Facilities. Management may implement 'temporary' changes to the Rules as needed to address certain situations that may arise from time to time. For example, in order to promote an expedient and efficient cycling of the resale list, Members on the resale list within the term of the last Rules (10/1/91) were given an opportunity to individually sell their memberships subject to the Management Company's approval.

2. Distribution and Posting. Any such club Rules (or any additions or amendments thereto) will be provided to each Member and will be posted in prominent locations within the Club Facilities or published in the monthly newsletter.

3. Non-Compliance with Club Rules. Failure by any Member, the Members family, any Business Designee of such Member, or such Member's Guests to observe the Club Rules may subject such Member to suspension or termination of Membership in the manner provided in Article IV above.

4. Use of Directory Information. Management will prepare a periodic directory listing the Member's general information. A Member may write Management to oppose such listing and Management will only list that Member's last name and first initial. The information listed will generally consist of information requested by way of a periodic Membership Directory Information Release form that the Member completes. The Directory will consist of numbered pages with names and general information of the entire Membership at the time of printing as well as an online version published in the Club's website over the Internet. The use of the Membership Directory for commercial purposes by Members is not allowed. Unauthorized usage of directory information may lead to a suspension or termination of a Membership. If a Member is denied the commercial usage of the Directory Information, then that Member may contact Management to determine whether their commercial usage (advertising) can be accommodated via the newsletter sent directly by Management.

### B. GUESTS

1. Invitation of Guests. Members in good standing are permitted to invite Guests to accompany them to the Club and to use the Golf Course and Club Facilities only in accordance with these Rules and any other Club Rules.

2. Right to Refuse Admission to Guests. Management shall have the absolute right to admit or to refuse admission to any Guest at any time.

3. Guests to be Accompanied by Member. Every Guest must at all times be accompanied by the host Member unless special arrangements have previously been made by the Member with Management.

4. Guest Fees and Charges. Fees for guests are charged whenever a guest uses the Golf course or any other Club Facilities and are the responsibility of the host Member. It is the Member's responsibility to assure proper fees have been tendered for any guests. The host Member's account will be billed

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directly for fees unpaid by guests.

5. Limitations on Guest privileges. Each guest is limited to using the Golf Course and Club Facilities a maximum of one (1) time each calendar month, regardless of which Member or Members invited the guest. Under the authority and discretion granted to the Head Golf Professional, the Head Golf Professional may afford discretion in allowing a Member's guest to utilize the golf course more than once per month the Head Golf Professional will report any abuses. Any abuses by the guests, regardless of which member he or she is playing with, will bar the guest from further play at the Club.

6. Guest I.D. Cards. Guests may be required to carry "Guest I.D. cards" at all times while on the Club Premises.

7. Guests May Not Invite Others. Guests are not entitled to invite other non-Members to use the Golf Course or Club Facilities.

8. Conduct of Guests. Host Members shall be responsible for the conduct of their Guests. If in the determination of Management, the deportment or appearance of a Guest does not comply with these Rules or any other Club Rules, the host Member may be requested to require the Guest to leave the Club premises.

9. Suspension of Guests Privileges. The Owner or Management may at any time and from time to time suspend the Guest privileges of any or all of the Members.

### C. MEMBER ADVISORY BOARD

1. Purpose. It shall be the purpose of the Advisory Board to act as an advisory group and communicate Member concerns and suggestions to Management. The Advisory Board will help coordinate golf and social events.

2. Formation: Number: Term: Meetings. The Advisory Board shall be comprised of ten (10) Members, who shall be elected for staggered terms of two (2) years, so that between four (4) and six (6) Members are elected each year. Each year, generally during March, Management shall seek nominations for Advisory Board positions from all Members. A secret ballot will then be distributed to all Members in all categories for the purpose of electing an Advisory Board from among the nominees. A quorum of at least half the current Board Members shall be necessary to conduct business at a regularly scheduled meeting. Meetings shall be held on a regularly scheduled basis, preferably once per month but no less than once per quarter. Minutes shall be prepared and maintained and shall be available for review by any Member or Management upon request. A physical and original copy of completed minutes is to be kept by Management.

3. Officers. Each newly elected Advisory Board shall elect a President, Vice President, and a Secretary, as well as such other officers as the Advisory Board deems necessary from time to time, each of whom shall serve for a term of one (1) year. Vacancies that arise in any office during the year may be filled upon resolution of the Advisory Board. The following officers shall be elected by the Advisory Board:

(a) President: The President shall act as the Advisory Board chairman and preside at all meetings and act as a liaison to Management.

(b) Vice President: Should the President be unavailable, the Vice President shall fulfill all duties of

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the President.

(c) Secretary: The Secretary shall take and maintain complete and accurate minutes of: all meetings of the Advisory Board. The Secretary shall conduct all correspondence and keep copies of all correspondence, either sent or received.

4. Committees The Advisory Board shall appoint from among its Members the following Committees, having as many Members as it deems appropriate, each of whom shall serve a term of one (1) year.

4.1 Maintenance Committee. The Maintenance Committee shall be responsible for communicating Member concerns or recommendations regarding course maintenance to Management or the Golf Course Superintendent.

4.2 Membership Committee. The Membership Committee shall assist Management in welcoming new Members and helping them get their questions answered.

4.3 House Committee. The House Committee shall assist Management in matters relating to the Clubhouse building and the Food and Beverage Department.

5. Disciplinary Concerns. Management will, as it deems necessary, request a special meeting or at a scheduled meeting of the Advisory Board, seek advice respecting disciplinary issues related to Members, but not limited to. Generally, Management will report on 'trends' or 'problem areas' to gage the focus and degree of action in addressing disciplinary issues as recommended by the Advisory Board. Management may or may not disclose personal information related to any particular disciplinary action in its absolute and meticulous discretion of Member relationships. In general, issues regarding the delinquency in payment of dues, fees or charges will not be brought before the Advisory Board.

6. Annual Meeting. An Annual Meeting of the current Advisory Board and the newly elected Advisory Board Members shall be held at the Club for the purpose of installing the new members and retiring those Advisory Board Members completing their terms. Management will provide a no host cocktail party and a hosted dinner for the attendees.

7. No Control Rights. Neither the Advisory Board, its Officers nor any Committees it appoints shall have any rights to contract on behalf of or otherwise manage, operate or control, the Club, it being understood that each of their positions is strictly advisory and that the Owner, Management and the Manager shall not be under any obligations whatsoever to act upon any such advice which may be given.

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## ARTICLE VIII USE OF GOLF COURSE AND CLUB FACILITIES

### A. GROUNDS AND HOUSE RULES

1. Club Hours; Special Closings. The hours for usage of the Golf Course and Club Facilities may vary seasonally and will be prominently posted on the Club premises. The Golf Course and/or the Club Facilities may from time to time, in the discretion of Management, be closed to Members in order to host golf tournaments or other special events, to allow use of the Golf Course by school golf teams and other similar groups and to allow for repairs, maintenance, construction and similar activities related to the Club. Management will make every effort to afford alternative days or times for Members not allowed to use the Golf Course or Club Facilities including the opening of normally closed days or arranging reciprocal play; however, Management is not bound to do so.

2. Parking. All motor vehicles must be parked in the spaces provided for that purpose by the Club. Members shall observe all parking, directional and traffic control signs.

3. Pets. Pets are not allowed in or around the Golf Course or Club Facilities unless the Club is statutorily required to accommodate certain pets. Under expressed approval and after proof of being named as an insured, Member-homeowners living in the community may be able to walk their pets on the exterior areas of the Golf Course property, such as undeveloped portions of the property or along the private roads. If permission is granted, the Member-Homeowner must, in addition to the requirement herein, execute an Assumption of the Risk and Indemnity Agreement. Any Member, Homeowner, Member-Homeowner who enters the Golf Course or Club Facilities with an unauthorized pet will be assessed \$50.00 in addition to any damages or labor expended to enforce this paragraph. Moreover, continued abuse will result in notifying the SPCA or other regulatory agencies.

4. Children. Members share responsible for the conduct of their children (and the children of their Guests) at all times and shall ensure that their children are supervised and are orderly so as not to disturb other Members Guests or invitees at the Club. Children eighteen (18) years and under may be barred use the Golf Course or Club Facilities at the written request of either parent Member; however, the Member is ultimately responsible for the conduct and finances of their children. Management may deny Membership privileges to Member's children should they become disorderly or in the interest of safety regardless of age.

5. Gambling. No gambling is permitted at any time on the Club premises; however, non-gambling card games are permitted in the Club Facilities.

6. Food and Beverages. Alcoholic beverages to be consumed at the Club must be purchased from and consumed in the appropriate Club Facilities. Unless specifically authorized in advance by Management, no Member, Guest or any other invitee shall bring food or liquor into the club. No Member shall keep any food items in lockers or other storage areas on the Club premises. No alcoholic beverages shall be served or consumed by persons under twenty-one (21) under any circumstances. Management, including its respective employees or agents, shall have the right to refuse service of alcoholic beverages to any person who is deemed to be obviously intoxicated. All beverages of any type to be consumed at the Club (including for private social functions) shall be purchased from the Club vendors, unless otherwise authorized by Management.

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7. Banquets, Tournaments, and Other Special Events. The clubhouse facilities are available for use by members and non-members at a fee in connection with banquets, tournaments, or other special events upon prior arrangement with Management.

8. Attire. Persons using the Club Facilities or the Golf Course must be well groomed and their appearance must conform to any dress code established under any Club Rules.

9. Complaints; Relations with Club Employees. Any complaints concerning the personnel or operations of the Club shall be made to the Department Manager or Management, preferably in writing. No Member or guest shall reprimand any employee, contractor or agent of the Club. No Member shall have the authority to require any employee, contractor or agent to leave the Club premises for any purpose or to otherwise interfere with the duties of any such employee, contractor or agent unless with the specific prior permission of Management.

10. Locker Rooms. The Club provides locker rooms for use by adults, and persons under the age of eighteen (18) are permitted therein only when accompanied by an adult. The Club provides lockers that are available for rental by Members, and locker rental charges will be billed in advance on a calendar year basis.

11. Reservation to Refuse Service. The Club, through its employees or agents may refuse to service any Member and their guest if derogatory, pejorative, or defamatory language or gestures are directed to employees or agents or used within the affected Member's group as to cause a demeaning or hostile environment to employees or other Members. Members who cause or contribute to a demeaning or hostile environment that affects the employer-employee relationship or which affects and interferes with business operations may be subject to suspension or termination and forfeit their equity, if any.

### **B. USE OF GOLF COURSE**

1. Golf Course Hours. The Golf Course is currently open to Members from Tuesday through Sunday but may be open or closed on different days upon notice in the newsletter or by posting to Members. The Golf Course is currently closed on Mondays. Men shall be given courtesy preferential start times on their respective guest days. Women shall be given courtesy preferential start times on their respective guest days.

2. Compliance with Golf Course Rules. General standards of Golf Course etiquette and Golf Course use and enjoyment are covered in the Rio Bravo Golf Course Rules and Regulations (the "Golf Course rules") as provided in Article IX below. Additional copies of the Golf Course Rules will also be available at the Golf Pro Shop. All members shall familiarize themselves with and abide by the Golf Course Rules; failure to do so may result in temporary suspension of a Member's Golf Course privileges and can be grounds for termination without equity, if any.

### **C. LIMITED USE OF GOLF COURSE GROUNDS**

1. Access Limited. Members shall not have unlimited access to and use of the Golf Course grounds. Members are only allowed on the Golf Course on announced open days and in authorized areas. Anyone entering the Golf Course grounds on any other day may be subject to trespassing charges as the Management Company contracts with a third party security company (ies).

2. Assessment for Unauthorized Access to Golf Course. Any player, whether Member or not, utilizing the Golf Course or Club Facilities when closed will be assessed for any cost resulting in

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damages, such as for labor in having to track the member/player, and for an assessment of \$250.00. Any assessment collected except for damages will be retained in a separately journalized fund or entry for the sole purpose of reinvesting such funds to improve the Golf Course, such as purchasing ball washers, signs, towels, etc.

3. Restriction on Use. Members and residents living near the Rio Bravo Country Club must understand that the Golf Course is not a public park. It is a private golf course closed to non-members and, during closed days, it is closed to Members as well. Use of the Golf Course for such activities as walking, jogging, walking the dog, children playing, golf cart joy-riding, fishing, picnics, ball games or similar activities is strictly prohibited unless in areas specifically designated by Management and unless prior approval for such use has been granted by Management. Violators will be subject to the \$250.00 trespassing fee.

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## ARTICLE IX GOLF COURSE RULES

A. **KNOW THE GOLF COURSE RULES.** Golf course rules are necessary to ensure that all Members and Guests enjoy their golfing experience at Rio Bravo Country Club. It is the responsibility, therefore, of Members and Guests to be familiar with, and abide by, the (1) Dress Code, (2) USGA Rules of Golf, (3) Local Rules, (4) Rules of Etiquette: Behavior on the Course, and all other rules contained herein (collectively, the “Golf Course Rules“). Failure to do so may result in temporary suspension of golf course privileges and can be grounds for termination of Membership without equity, if any.

1. **Dress Code.** The RBCC Dress Code applies to the entire Club property including the practice facilities, golf course and Clubhouse.

1.1 **Ladies' Approved Attire:** Shirts with collars or sleeves, slacks, skirts or walking shorts no shorter than 4 inches above the knee cap, sweaters/ wind breakers., golf shoes with soft spikes (no metal spikes) or tennis shoes.

1.2 **Gentlemen's Approved Attire:** Shirts with collars and sleeves, sweaters/wind breakers, slacks, walking shorts no shorter than 4 inches above the top of knee cap, golf shoes with soft spikes, (no metal spikes) or tennis shoes. Shirts with collars and sleeves must be worn at all times on the golf course, practice areas and in the clubhouse.

1.3 **Non-approved Attire Anywhere on the Club Property:** No cut-offs, no short-shorts, no tank tops, no blue jeans of any type, no tee shirts, no sweat pants, no balloon pants, no beach or shower thongs.

1.4 **Dining in the Buena Vista Room:** Same as above, plus no walking shorts, no visors and no hats for men. Exception: Golf shoes with soft spikes are acceptable, and golf attire may be permitted for dinners directly related to golf tournaments.

2. **The Rules of Golf:** All Members and Guests should be familiar with The Rules of Golf as approved by The United States Golf Association and The Royal and Ancient Golf Club of St. Andrews. Copies of The USGA Rules of Golf are available in the Pro Shop for a nominal fee. If in doubt about a rule, play the course as you find it and play the ball as it lies. After the round, consult the Head Pro for a ruling.

3. **Local Rules.** USGA rules govern all play except when modified by local rules. Some, but not all, Local Rules are printed on the back of the scorecard as follows:

3.1 **Embedded balls** may be lifted, cleaned, and dropped no nearer the hole without penalty.

3.2 **Cart paths** are deemed immovable obstructions; ball may be dropped within one club length of the nearest point of relief, no nearer the hole without penalty.

3.3 **Spikeless Shoes:** use of metal spikes is prohibited.

3.4 **Out of Bounds:** paved streets throughout the course are out of bounds, defined by the inside edge of curbing. A ball which crosses such a road is deemed out of bounds even though it may lie on another part of the course (Dec 27/20).

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3.5 Staked Trees: Protection of young trees identified by stake - if such a tree or its basin interferes with a player's stance or area of intended swing, the ball MUST be lifted without penalty and dropped in accordance with the procedure described in Rule 24.

3.6 Hazards: #5, #7, #8, #10, #12, #17 and #18 lakes are a direct hazard. Note: the distance from the #18 White Tee to the lake is 266 yards. Drop Areas: on #5, #7, and #10 may be used or use Rule 26-1 (Water Hazards). On #8 use Rule 26-1.

**4. Etiquette: Behavior on the Course**. The USGA lists guidelines for behavior on the course that provide maximum enjoyment of the game by all players. Since golf is played without referees or umpires, individual players should demonstrate integrity, discipline, courtesy and sportsmanship at all times, regardless of how competitive they may be. This is the spirit of the game of golf.

4.1 **Safety**. Members and Guests are liable for their own actions.

(a) Players should insure that no one is standing in a position to be hit by the club, the ball, or any stones, twigs or the like when they make a stroke or practice swing.

(b) Players should not play until the players in front are out of range.

(c) If a player plays a ball in a direction where there is a danger of hitting someone, he should immediately shout a warning. "Fore" is the traditional warning.

(d) If course maintenance personnel are working in the area, players should allow adequate time for the personnel and equipment to move out of the way before playing through.

(e) Endangering Other Players. Any overt act or omission such as the throwing of golf clubs or hitting into another playing group or onto the driving range from the fairways will be considered a serious offense and may subject a Member to suspension or termination of Golf Course or Membership privileges.

4.2 **Consideration for Other Players: No Disturbance or Distraction**

(a) Players should always show consideration for other players on the course and should not disturb their play by moving, talking or making unnecessary noise.

(b) Players should ensure that any electronic device taken onto the course does not distract other players.

(c) Players should not stand close to or directly behind the ball, or directly behind the hole, when a player is about to play.

(d) On the putting green, players should not stand on another player's line of putt or, when he is making a stroke, cast a shadow over his line of putt.

(e) Players should remain on or close to the putting green until all other players in the group have holed out.

(f)

4.3 **Pace of Play**

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(a) Players should endeavor to complete their round in four hours or less. Pace of play is governed by the Pro Shop and weekend Marshals.

(b) The Club recommends that, for a faster pace, Members use “ready play” (hit your shot, assuming conditions are safe and clear, whenever you are ready regardless of whose honor it is) and concede putts “within the leather” (within approximately two feet of the cup).

(c) All players are expected to maintain their position on the Golf Course. Slower players who have one hole open ahead or who lose their relative position while searching for a lost ball must, without delay, signal the players behind them to play through. After signaling the other players to play through, the slower players should delay resumption of play until the other players are well out of range. Singles, twosomes and threesomes are not entitled to play through unless they are invited to do so. These courtesies should be extended to faster players whenever possible.

(d) Players should be ready to play as soon as it is their turn to play. When playing on or near the putting green, they should leave their bags or carts in such a position as will enable quick movement off the green and toward the next tee. When the play of a hole has been completed, players should immediately leave the putting green.

(e) If a player believes his ball may be lost outside a water hazard or is out of bounds, to save time, he should play a provisional ball.

### 4.4 Care of the Course

(a) Litter. Prevailing breezes and construction sites contribute to litter on the Course. Members and Guests can help keep the course clean by disposing of their own litter, and any other litter they may encounter, in trash receptacles located at each tee box and throughout the course.

#### (b) Fairways and Tee Boxes

(i) Players should avoid causing damage to the course by creating divots when taking practice swings or by hitting the ground with the head of the club, whether in anger or for any other reason. Any turf (including rough) that is cut, divoted or displaced by a player should be replaced and pressed down by the player's foot and, whenever possible, filled with sand and/or seed.

(ii) Players should not take excessive practice swings, which tend to slow down play and damage the tees and fairways.

#### (c) Bunkers

(i) Players should avoid walking through sand bunkers unless necessary to play the shot.

(ii) Players should enter and exit sand bunkers on the low side, never on the steep side.

(iii) Before leaving the sand bunker, players should use the rake provided to smooth all ball marks and footprints caused by their play, and any other marks nearby.

(iv) Rakes should be left inside the bunkers.

## RULES AND REGULATIONS

### (d) Greens

(i) Players should repair all ball marks on the green being careful not to turn the turf under when doing so. The correct procedure is to insert a ball mark tool at the outer edge of the mark and carefully pull the edge toward the center of the mark, repeat this process around the mark until it is filled then gently tap down the ball mark with the putter.

(ii) Players should not lean on their clubs when on the green, especially when removing the ball from the hole.

(iii) The flagstick should be handled with care to avoid damaging the green, and carefully replaced in the hole before leaving the green.

### 4.5 Golf Course Marshals

(a) Golf Course Marshals are volunteers who work the Course on Fridays, Saturdays and Sundays, and during tournaments. Their purpose is to help all Members and Guests enjoy their golfing experience by enforcing rules relating to the Pace of Play, Care of the Course, cart operation and parking, and general behavior on the course as stated in this Article IX Golf Course Rules.

(b) Marshals will, in a courteous and non-confrontational manner, inform players of slow play or other violations. Players who do not respond positively to the Marshals' instructions will be reported to the Pro Shop, and may be escorted off the Course. Subsequent violations may lead to suspension of playing privileges and termination of Membership.

## **B. PLAYING THE GOLF COURSE**

1. Reservation of Starting Times. All players requesting a starting time reservation should call the Pro Shop (661-871-GOLF) up to two weeks in advance. The Pro Shop personnel will arrange the starting time and explain any extra activities that may be scheduled.

2. Start of Play. The starting point for play shall be the first tee of the Golf Course unless otherwise authorized by the Pro Shop's Golf Starter. All Members and Guests must sign in with the Pro Shop and be assigned two to a cart prior to each full or partial round

3. Tee Area. The teeing surface is the entire area between the markers at each hole and a width of two (2) club lengths behind the markers. Players shall not tee up outside this area.

4. Playing Forward. No player shall play from any tee unless and until the players ahead have played their second strokes and are well out of range. No player shall play up to any green until the players ahead have holed out and moved away from the green.

5. Number of Players. Fivesome play should be considered an exception, rather than normal practice. Permission to play in a fivesome must be obtained from the golf starter within any limitations set by the Manager. All fivesomes must maintain position on the Golf Course and not slow down play for other players. If one hole is open in front, fivesomes must signal the players behind (if held up) to play through. In the event a fivesome fails to comply with this rule, the Pro Shop personnel may require the fivesome to either discontinue play or to break up into smaller playing groups. Fivesomes may be banned from playing at any time or times when play is too heavy to accommodate them. No sixsomes are allowed unless expressed permission is given for special tournaments.

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6. Sequential Play. Playing holes out of sequence is not permitted if it will interfere with any other players on the Golf Course.

7. Practice Play. Practice of chipping or pitching shots is permitted only in areas designated by the golf Pro Shop and is specifically prohibited on the Golf Course. No one is permitted to hit practice tee shots in the practice tee area at any time other than posted practice hours. Practice while playing a round is considered abuse of the Golf Course.

### C. GOLF CARTS.

1. Club-Owned Carts. The Country Club provides golf carts for rental by Members, Guests and other invitees.

(a) Carts must be driven only on designated cart paths unless no cart paths are provided, in which case carts shall be driven from the edge of the fairway at right angles to the ball (The 90° Rule).

(b) Carts should be kept on the cart paths but in no case less than 30 feet away from greens, tees, aprons, sand traps, and mounded areas as well as future designated areas.

(c) Cart drivers should use care not to spin or skid wheels on the turf.

(d) Cart drivers should observe all directional signs.

(e) Carts should be parked only along the cart paths or in other designated areas.

(f) No person under sixteen (16) years of age or without a driver license shall be permitted to operate a cart.

(g) Carts must be returned to the designated cart drop off areas or the cart barn area.

(h) Carts may not be reused for additional play without notifying the Pro Shop and tendering proper payment. It is the Member's obligation to secure payment if play will continue forward after the pro shop has closed.

(i) The names of players in a foursome must be identified before the issuance of keys for carts and to accommodate entry at the front gate guard station.

2. Member-Owned Carts. Members who have previously received approval from Management, and after paying the appropriate 'trail fee,' may use their personally owned golf carts rather than Club-owned carts. Any Guest or other Member who rides in the Member-owned cart shall pay regular cart fees. Management shall have the authority, in its sole discretion, to determine whether from time to time any further Member-owned carts will be allowed to be used on the Club premises. Management may limit the number of Member-owned carts, reserve availability for future home sites and development, or reduce the number of Member-owned carts. Management may also require that special permits be affixed to the Member-owned carts for identification purposes. Any Member using a member-owned cart shall defend, indemnify and hold harmless the indemnities against and from any claims losses, damages, injuries, demands, causes of action, liabilities, fees and expenses including actual attorneys' fees arising from use or operation of the Member-owned cart while on Club premises.

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2.1 Member-owned carts must be registered in accordance to the Club rules, regulations and guidelines.

2.2 Annual cart trail fees must be paid in order to operate the cart on any part of the Golf Course property.

2.3 Members who subscribe to trail fees must abide by any and all cart usage rules relating to Club-owned carts, in addition to rules pertaining to Member-owned carts.

2.4 Cart must be electric-powered. No gas-powered carts are allowed.

2.5 In order to operate a cart on any part of the Golf Course property, the driver must be at least sixteen (16) years of age and licensed to drive a motor vehicle.

2.6 Member-Owned Carts During Outside Tournaments. Any Member playing in an outside tournament will be required to utilize Club-owned carts, nor will there be a fee discount or waiver provided should the Member be granted permission to utilize his or her Member-owned cart.

2.7 Restrictions on Cart Usage. No more than two (2) players and two (2) golf bags shall be carried in any golf cart at any time while on the Golf Course grounds.

### **D. GOLF COURSE GROUNDS AS PRIVATE PROPERTY**

1. Unauthorized Access to Golf Course. When the Course is closed for outside tournaments or a closed day, any individuals, including Members are not authorized to be on the Course. All unauthorized individuals on the Course may be subject to trespassing charges of \$250.00, as described in Article VII, B, Sections 1-3 above.

2. Animals. Animals are not permitted on or around the Golf Course or any practice tees or putting greens. Article VIII, Section A.3 of the Rules is incorporated herein.

**E. AMENDMENT OF GOLF COURSE RULES** These Golf Course Rules are subject to amendment at any time by Management.